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Department of Housing and Urban Development (HUD) FY2027 Budget Request: In Brief

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Introduction

This report provides a brief overview of the President’s FY2027 budget request for the Department of Housing and Urban Development (HUD). It also identifies relevant Administration budget documents and CRS reports.

Most funding for HUD programs and activities comes from discretionary appropriations provided each year through annual appropriations acts. The House and Senate Appropriations Committees’ Transportation, HUD, and Related Agencies subcommittees generally consider HUD’s annual appropriations along with those for the Department of Transportation and several related agencies (including two housing-related entities: the Neighborhood Reinvestment Corporation, also known as NeighborWorks America, and the Interagency Council on Homelessness).

- For additional information on HUD programs and activities, see CRS Report RL34591, *Overview of Federal Housing Assistance Programs and Policy*, by Maggie McCarty, Libby Perl, and Katie Jones.

This report will not be updated to track legislative action during the appropriations process.

- To track the status of legislative action during the appropriations process, see the CRS Appropriation Status Table.¹
- To locate CRS experts on appropriations, see CRS Report R42638, *Appropriations: CRS Experts*, by James M. Specht and Justin Murray.

President’s FY2027 HUD Budget Request

On April 3, 2026, the Trump Administration submitted its FY2027 budget request to Congress.

- For additional information on HUD’s budget request, see the FY2027 Budget Appendix for HUD.²
- For additional details on requested funding levels for specific programs and activities, see HUD’s FY2027 congressional budget justifications.³
- For a comparison of FY2027-requested funding levels and FY2026-enacted funding levels for select HUD accounts, see **Table 1**.

Gross Budget Authority

The President’s FY2027 budget request proposes \$73.5 billion in *gross* discretionary appropriations for HUD, which is about \$10.7 billion (13%) less than the \$84.2 billion in discretionary appropriations provided in FY2026 appropriations law. Gross appropriations represent the amount of new funding, or budget authority, available for HUD programs and activities, not accounting for budgetary savings from offsets or other savings.

The President’s budget proposes funding reductions for most HUD programs and activities, including a number of program eliminations, which are described below (see “Proposed Program

¹ CRS Appropriations Status Table, <https://www.crs.gov/legislative/appropriations-status-table>.

² Office of Management and Budget, “Department of Housing and Urban Development,” in *Budget of the United States: Appendix*, FY2027, <https://www.govinfo.gov/app/details/BUDGET-2027-APP/BUDGET-2027-APP-2-11>.

³ HUD, “FY 2027 Congressional Justifications,” <https://www.hud.gov/stat/cfo/cj-fy27>.

Eliminations” and “Proposed Funding Reductions”). The President’s budget proposes an increase to the Public Housing Fund and the Tenant-Based Rental Assistance program accounts.

Net Budget Authority

Net discretionary budget authority accounts for the effect of budgetary savings from offsetting collections and receipts, rescissions, and other sources. As shown in **Figure 1**, after accounting for budgetary savings, the President’s FY2027 budget requests \$62 billion in net discretionary funding for HUD, a decrease of about \$12.3 billion (17%) compared with the net budget authority provided in FY2026.⁴

The gross budget authority generally best reflects the amount of new funding available for HUD’s programs and activities in a year, while net budget authority is important for budgetary scorekeeping and compliance with statutory spending limitations.

Offsetting Receipts

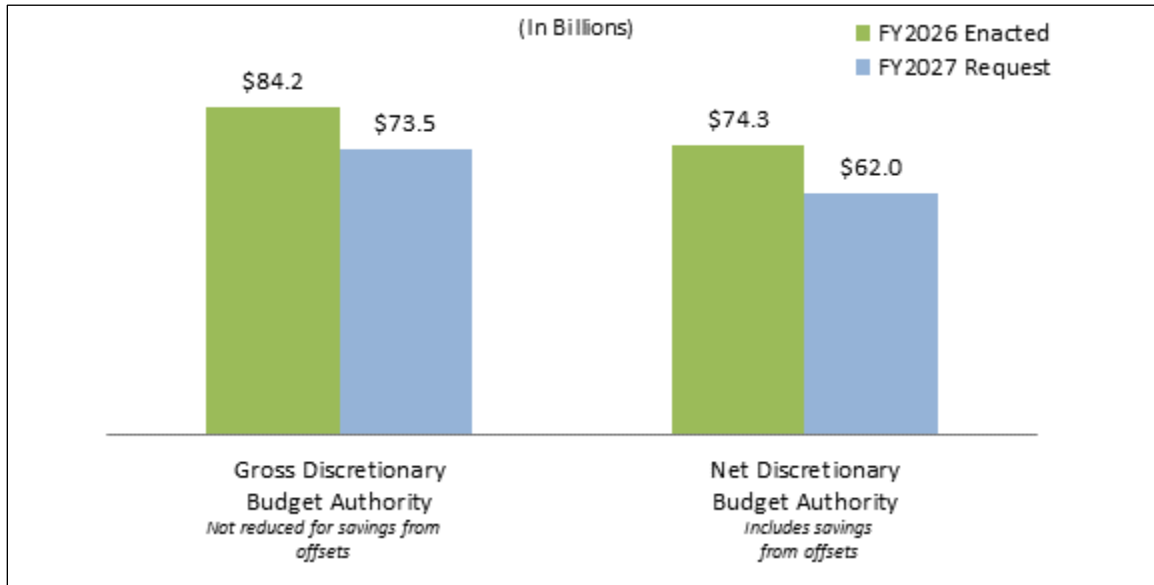
The Office of Management and Budget estimates available offsets to be greater in FY2027 than in FY2026. The President’s budget documents reflect an estimated \$1.6 billion (16%) increase in budget savings available from offsetting collections and receipts for FY2027 relative to FY2026. This increase is largely attributable to projected increases in offsetting receipts from mortgages insured by the Federal Housing Administration (FHA) in FY2027 relative to FY2026. These estimates of offsetting collections and receipts for FY2027 may change when the Congressional Budget Office re-estimates the President’s budget for the purposes of the congressional appropriations process.

- For more information on how FHA-insured mortgages are accounted for in the budget, see CRS Report R42875, *FHA Single-Family Mortgage Insurance: Financial Status of the Mutual Mortgage Insurance Fund (MMI Fund)*, by Katie Jones.

⁴ These figures are based on estimates provided in the President’s budget documents. Congress typically relies on the Congressional Budget Office’s re-estimates of the President’s budget for scorekeeping and budget enforcement purposes. Thus, the President’s budget totals presented in this report may not match totals reported in congressional budget documents during the appropriations process.

Figure I. Total HUD Discretionary Funding With and Without Savings from Offsets and Other Sources

FY2026 Enacted and FY2027 Request



Source: Chart prepared by CRS. FY2026 and FY2027 figures taken from FY2027 President’s budget documents and Department of Housing and Urban Development congressional budget justifications.

Note: These totals include emergency-designated funding for regular program operations but exclude emergency-designated spending for disaster recovery.

Proposed Program Eliminations

The bulk of the funding reduction proposed in the FY2027 budget request comes from eliminating programs that, combined, received about \$9.1 billion in FY2026:

- The **Community Development Fund** (including the Community Development Block Grant program and Economic Development Initiative grants), funded at \$7 billion in FY2026, provides formula grants to states and localities for a variety of community and economic development activities and is commonly used to fund Congressionally Directed Spending/Community Project Funding grants (frequently referred to as “earmarks”).
- The **HOME Investment Partnerships Program**, funded at \$1.3 billion in FY2026, provides formula grants to states and eligible localities for various affordable housing activities targeted to low-income households.
- **Housing Opportunities for Persons with AIDS (HOPWA)**, funded at \$529 million in FY2026, provides formula and competitive grants to states and localities to fund the development of housing for low-income persons living with HIV/AIDS and their families.
- **Self-Sufficiency Programs**, funded at \$206 million in FY2026, provide supportive services through various grant programs to help HUD-assisted households improve economic and housing stability.

- **Housing Counseling Assistance**, funded at \$58 million in FY2026, provides housing counseling services to eligible tenants, homebuyers, and homeowners through a network of HUD-approved housing counseling agencies.
- **Choice Neighborhoods Grants**, funded at \$25 million in FY2026, provide competitive grants to revitalize distressed public housing or other HUD-assisted housing.
- **Native Hawaiian Housing Block Grants**, funded at \$22 million in FY2026, provide grants to Hawaii's Department of Hawaiian Home Lands for housing and related infrastructure for low-income Native Hawaiians on the Hawaiian home lands.

Proposed Funding Reductions

Several HUD programs are proposed for funding reductions relative to FY2026-enacted appropriations:

- **Project-Based Rental Assistance (Project-Based Section 8)**, proposed for a \$908 million (5%) reduction relative to FY2026, funds long-term rental assistance contracts with owners of project-based Section 8 properties. HUD's budget documents indicate that the Administration seeks authority to freeze rent increases as a cost-savings measure.
- **Native American Programs**, proposed for a \$467 million (34%) reduction relative to FY2026, fund formula and other grants to Native American tribes and Alaska Native Villages for affordable housing activities in tribal areas. This proposal would eliminate the Indian Housing Block Grant Competitive program and does not request new credit subsidy for the Title VI Loan Guarantee program in FY2027.
- **Homeless Assistance Grants**, proposed for a \$393 million (9%) reduction relative to FY2026, fund housing and services for homeless persons. The budget proposes to eliminate the Continuum of Care program and consolidate funding for homeless assistance under the Emergency Solutions Grants program.
- **The Office of Lead Hazard Control account**, proposed for a \$186 million (63%) reduction relative to FY2026, provides funds to localities for lead-based paint hazard testing and remediation.
- **The Research and Technology account**, proposed for a \$80 million (65%) reduction relative to FY2026, funds activities such as HUD-administered national surveys, program evaluations, data and information management, and support for program implementation.
- **Housing for the Elderly**, proposed for a \$66 million (7%) reduction relative to FY2026, provides grants and project-based rental assistance to support the development and ongoing operation of low-income housing for elderly households.
- **The Fair Housing Activities account**, proposed for a \$60 million reduction (70%) relative to FY2026, funds the Fair Housing Assistance Program (FHAP) and the Fair Housing Initiatives Program (FHIP). The FY2027 President's budget proposes to eliminate FHIP, which provides grants to nonprofit organizations that work on fair housing issues. (FHAP, which provides grants and resources to

eligible state and local governments that enforce fair housing laws, would continue to be funded under this proposal.)

- **The Self-Help Homeownership Opportunity Program (SHOP) account**, proposed for a \$49 million (75%) reduction relative to FY2026, includes funding for grants to national intermediaries (such as Habitat for Humanity) to fund self-help, sweat-equity model housing programs for low-income families and grants for capacity-building activities. The FY2027 President’s budget proposes to eliminate SHOP, the Rural Capacity Building program, and the Section 4 Capacity Building program and replace the three programs with a single grant to Habitat for Humanity.
- **Housing for Persons with Disabilities**, proposed for a \$21 million (7%) reduction relative to FY2026, provides competitive grants and project-based rental assistance to support the development and ongoing operation of low-income housing for persons with disabilities and their families.

Proposed Funding Increases

Two HUD program accounts are proposed for funding increases in the FY2027 request relative to FY2026 enacted appropriations:

- **Tenant-Based Rental Assistance (Section 8 Housing Choice Vouchers)**, proposed for a \$402 million (1%) increase, provides funds through local public housing authorities to private landlords to subsidize the rents of low-income households.
- The **Public Housing Fund**, proposed for a \$303 million (4%) increase, provides grants to public housing authorities to fund public housing costs.

Table I. FY2026-Enacted Funding and FY2027 Request: Select HUD Accounts

In Billions of Dollars

Accounts	FY2026 Enacted	FY2027 Request	% Change, FY2026-FY2027 Request
Choice Neighborhoods	0.025	0.000	-100%
Self Sufficiency Programs	0.206	0.000	-100%
Native Hawaiian block grant	0.022	0.000	-100%
Housing, persons with AIDS (HOPWA)	0.529	0.000	-100%
Community Development Fund (Including CDBG and EDI)	6.994	0.000	-100%
HOME Investment Partnerships	1.250	0.000	-100%
Housing Counseling Assistance	0.058	0.000	-100%
Self-Help Homeownership (SHOP)	0.065	0.016	-75%
Fair Housing Activities	0.086	0.026	-70%
Research and Technology	0.123	0.043	-65%
Lead Hazard Reduction	0.296	0.110	-63%

Native American Programs	1.354	0.887	-34%
Homeless Assistance Grants	4.417	4.024	-9%
Housing for Persons with Disabilities	0.287	0.266	-7%
Housing for the Elderly	0.995	0.929	-7%
Project-Based Rental Assistance (Project-Based Section 8)	18.602	17.694	-5%
Salaries and Expenses (Mgmt. & Adm.)	2.003	2.013	0%
Tenant-Based Rental Assistance (Section 8 Housing Choice Vouchers)	38.476	38.878	1%
Public Housing Fund	8.259	8.562	4%

Source: Table prepared by CRS. FY2026 and FY2027 figures taken from FY2026 President's budget documents and HUD congressional budget justifications.

Notes: Figures exclude emergency-designated spending for disaster recovery. CDBG = Community Development Block Grant; EDI = Economic Development Initiative.

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